

HOUSE BILL 1239

M5, C5

3lr3104
CF SB 664

By: **Delegate Qi**

Introduced and read first time: February 15, 2023

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Strategic Energy Investment Program – Tier 1 Renewable Sources,**
3 **Solar Energy Systems, and Alterations**

4 FOR the purpose of requiring the Maryland Energy Administration to require a person
5 selling or leasing a Tier 1 renewable source to inform certain applicants for a grant,
6 loan, or other form of financial assistance through the Maryland Strategic Energy
7 Investment Program of certain terms; authorizing the use of certain compliance fees
8 paid into the Maryland Strategic Energy Investment Program to make certain loans
9 and grants and establish certain programs to create new solar energy systems that
10 are owned by or directly benefit low- and moderate-income residents; requiring the
11 Administration to allocate certain compliance fees in a certain manner; requiring the
12 Administration to establish and maintain a Solar Energy Rebate Program for the
13 installation of new solar energy systems that benefit low- and moderate-income
14 residents in the State; and generally relating to the Maryland Strategic Energy
15 Investment Program.

16 BY repealing and reenacting, without amendments,
17 Article – State Government
18 Section 9–20B–01(a), 9–20B–02, and 9–20B–05(a)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2022 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–20B–01(g)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2022 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – State Government
28 Section 9–20B–04 and 9–20B–05(i)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2021 Replacement Volume and 2022 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
4 That the Laws of Maryland read as follows:

5 **Article – State Government**

6 9–20B–01.

7 (a) In this subtitle the following words have the meanings indicated.

8 **(G) “TIER 1 RENEWABLE SOURCE” HAS THE MEANING STATED IN § 7–701 OF**
9 **THE PUBLIC UTILITIES ARTICLE.**

10 9–20B–02.

11 There is a Maryland Strategic Energy Investment Program in the Maryland Energy
12 Administration.

13 9–20B–04.

14 The Administration shall:

15 (1) manage, supervise, and administer the Program;

16 (2) adopt regulations to implement the Program and to ensure that Fund
17 resources are utilized only to carry out the purposes of the Program;

18 (3) attach specific terms and conditions to any grant, loan, or other form of
19 assistance that are determined by the Administration as necessary to ensure that the
20 purposes of the Program are fulfilled;

21 (4) develop procedures for monitoring programs, projects, activities, and
22 investments to verify that Fund resources are being used to meet the purposes of the
23 Program; [and]

24 (5) provide money annually or as needed to the Clean Air Fund managed
25 by the Department of the Environment to fund the costs of the Department’s programs to
26 reduce or mitigate the effects of climate change; AND

27 **(6) REQUIRE EACH PERSON SELLING OR LEASING A TIER 1**
28 **RENEWABLE SOURCE TO INFORM EACH APPLICANT FOR A GRANT, LOAN, OR OTHER**
29 **FORM OF FINANCIAL ASSISTANCE THROUGH THE PROGRAM WHO IS ENTERING INTO**
30 **A CONTRACT TO PURCHASE OR LEASE THE TIER 1 RENEWABLE SOURCE OF THE**
31 **FOLLOWING TERMS OF THE CONTRACT:**

1 **(I) THE PRICE FOR THE DURATION OF THE CONTRACTUAL**
2 **AGREEMENT;**

3 **(II) THE OPERATION AND MAINTENANCE RESPONSIBILITIES OF**
4 **THE APPLICANT AND THE PERSON SELLING OR LEASING THE TIER 1 RENEWABLE**
5 **SOURCE;**

6 **(III) THE DISPOSITION OF ANY RENEWABLE ENERGY CREDITS**
7 **AND TERMS OF ANY TARIFFS ASSOCIATED WITH THE TIER 1 RENEWABLE SOURCE;**
8 **AND**

9 **(IV) THE ANTICIPATED AMOUNT OF ENERGY GENERATED FROM**
10 **THE TIER 1 RENEWABLE SOURCE.**

11 9-20B-05.

12 (a) There is a Maryland Strategic Energy Investment Fund.

13 (i) (1) **(I) In this subsection[, “low-income”] THE FOLLOWING WORDS**
14 **HAVE THE MEANINGS INDICATED.**

15 **(II) “AREA MEDIAN INCOME” HAS THE MEANING STATED IN §**
16 **4-1801 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.**

17 **(III) “ELIGIBLE CUSTOMER-GENERATOR” HAS THE MEANING**
18 **STATED IN § 7-306 OF THE PUBLIC UTILITIES ARTICLE.**

19 **(IV) “LOW-INCOME” means having an annual household income**
20 **that is at or below 175% of the federal poverty level.**

21 **(V) “MODERATE-INCOME” MEANS HAVING AN ANNUAL**
22 **HOUSEHOLD INCOME THAT IS AT OR BELOW 80% OF AREA MEDIAN INCOME.**

23 (2) Except as provided in [paragraph] PARAGRAPHS (3) AND (4) of this
24 subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be
25 used only to make loans and grants AND ESTABLISH PROGRAMS to [support the creation
26 of] CREATE new Tier 1 renewable [energy] sources in the State that are owned by or
27 [directly] PROVIDE MATERIAL ECONOMIC benefit [low-income] TO LOW- AND
28 MODERATE-INCOME residents of the State.

29 (3) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities
30 Article shall be accounted for separately within the Fund and may be used only to make
31 loans and grants AND ESTABLISH PROGRAMS to [support the creation of] CREATE new

1 solar energy [sources] SYSTEMS in the State, INCLUDING SOLAR ENERGY SYSTEMS
2 PAIRED WITH ENERGY STORAGE FOR HOME OR COMMUNITY RESILIENCE, that are
3 owned by or directly benefit [low-income] LOW- AND MODERATE-INCOME residents of
4 the State.

5 (4) (I) FROM THE COMPLIANCE FEES COLLECTED UNDER §
6 7-705(B)(2)(I)2 OF THE PUBLIC UTILITIES ARTICLE, THE ADMINISTRATION SHALL:

7 1. ALLOCATE THE INITIAL \$5,000,000 COLLECTED IN
8 ANY YEAR AND 10% COLLECTED IN EXCESS OF \$5,000,000 IN ANY YEAR TO SUPPORT
9 THE INSTALLATION OF NEW SOLAR ENERGY SYSTEMS THAT ARE OWNED BY OR
10 DIRECTLY PROVIDE MATERIAL ECONOMIC BENEFIT TO:

11 A. LOW- OR MODERATE-INCOME RESIDENTS OF THE
12 STATE;

13 B. OVERBURDENED OR UNDERSERVED COMMUNITIES;
14 OR

15 C. PUBLIC ENTITIES LOCATED IN OVERBURDENED OR
16 UNDERSERVED COMMUNITIES; AND

17 2. ALLOCATE 90% OF THE FEES COLLECTED IN EXCESS
18 OF \$5,000,000 IN ANY YEAR TO SUPPORT THE INSTALLATION OF NEW SOLAR ENERGY
19 SYSTEMS FOR NEW ELIGIBLE CUSTOMER-GENERATORS THROUGH THE SOLAR
20 ENERGY REBATE PROGRAM UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

21 (II) 1. THE ADMINISTRATION SHALL ESTABLISH AND
22 MAINTAIN A SOLAR ENERGY REBATE PROGRAM.

23 2. THE SOLAR ENERGY REBATE PROGRAM
24 ESTABLISHED UNDER THIS SUBPARAGRAPH SHALL REQUIRE THE FUNDS
25 COLLECTED UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH TO BE USED SOLELY
26 TO PROVIDE A REBATE TO ELIGIBLE CUSTOMER-GENERATORS WHO HAVE
27 INSTALLED A QUALIFIED SOLAR ENERGY SYSTEM.

28 3. THE REBATE SHALL BE EQUAL TO \$500 PER
29 KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR ENERGY SYSTEM, LIMITED TO A
30 MAXIMUM OF \$5,000 PER SYSTEM.

31 4. A THIRD PARTY MAY:

1 **A. APPLY FOR A REBATE ON BEHALF OF AN ELIGIBLE**
2 **CUSTOMER–GENERATOR WITH PROOF OF CONSENT FROM THE ELIGIBLE**
3 **CUSTOMER–GENERATOR; AND**

4 **B. BE ASSIGNED A REBATE FOR THE NEW SOLAR ENERGY**
5 **SYSTEM BY THE ELIGIBLE CUSTOMER–GENERATOR.**

6 **(III) UNALLOCATED FEES COLLECTED UNDER § 7–705(B)(2)(I)2**
7 **OF THE PUBLIC UTILITIES ARTICLE IN ANY YEAR SHALL BE CARRIED FORWARD TO**
8 **THE NEXT YEAR AND USED AS FOLLOWS:**

9 **1. UNALLOCATED FEES FROM A PREVIOUS YEAR SHALL**
10 **BE ALLOCATED AND USED BEFORE THE FEES COLLECTED FOR THE CURRENT YEAR;**
11 **AND**

12 **2. ANY UNALLOCATED FEES COLLECTED MORE THAN 3**
13 **YEARS BEFORE THE CURRENT YEAR SHALL BE REALLOCATED UNDER**
14 **SUBPARAGRAPH (I)2 OF THIS PARAGRAPH.**

15 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
16 **October 1, 2023.**